



CNMC

**CNMC Goldmine Holdings Limited
and its subsidiaries
Registration Number: 201119104K**

Condensed interim financial statements
for the six months ended 30 June 2021

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A. Condensed interim statement of financial position

	Note	Group		Company	
		30 June 2021 US\$ (Unaudited)	31 December 2020 US\$ (Audited)	30 June 2021 US\$ (Unaudited)	31 December 2020 US\$ (Audited)
Assets					
Exploration and evaluation assets	7	5,522,272	5,528,741	–	–
Mine properties	8	16,246,809	15,966,977	–	–
Property, plant and equipment	9	13,927,618	14,655,306	153,937	21,908
Interests in subsidiaries		–	–	8,334,223	8,334,223
Deferred tax assets		961,133	703,595	–	–
Mine rehabilitation fund		665,675	684,174	–	–
Non-current assets		37,323,507	37,538,793	8,488,160	8,356,131
Inventories		2,623,128	1,971,004	–	–
Current tax assets		–	115,649	–	–
Trade and other receivables		1,522,704	3,585,659	10,182,501	10,494,012
Cash and cash equivalents		13,273,903	11,256,819	67,936	47,789
Current assets		17,419,735	16,929,131	10,250,437	10,541,801
Total assets		54,743,242	54,467,924	18,738,597	18,897,932
Equity					
Share capital		18,032,233	18,032,233	18,032,233	18,032,233
Preference shares		2,800	2,800	–	–
Reserves		3,166,691	3,082,194	(13,860)	(13,860)
Retained earnings/ (Accumulated losses)		18,359,459	18,324,436	(5,919,588)	(5,759,325)
Equity attributable to owners of the Company		39,561,183	39,441,663	12,098,785	12,259,048
Non-controlling interests		6,173,042	6,087,717	–	–
Total equity		45,734,225	45,529,380	12,098,785	12,259,048
Liabilities					
Loans and borrowings	10	736,661	722,400	54,143	6,670
Derivative financial instrument		27,244	28,001	–	–
Rehabilitation obligations		2,157,772	2,177,875	–	–
Non-current liabilities		2,921,677	2,928,276	54,143	6,670
Loans and borrowings	10	149,970	67,501	96,989	1,876
Trade and other payables		5,710,426	5,896,343	6,488,680	6,616,769
Deferred income		–	13,569	–	13,569
Dividends payable		3,617	3,718	–	–
Current tax liabilities		223,327	29,137	–	–
Current liabilities		6,087,340	6,010,268	6,585,669	6,632,214
Total liabilities		9,009,017	8,938,544	6,639,812	6,638,884
Total equity and liabilities		54,743,242	54,467,924	18,738,597	18,897,932

B. Condensed interim consolidated statement of profit or loss

	Note	Six months ended	
		30 June 2021	30 June 2020
		US\$ (Unaudited)	US\$ (Unaudited)
Revenue		12,868,592	10,470,879
Other income		285,166	81,670
Changes in inventories		336,069	464,961
Amortisation and depreciation		(2,418,741)	(2,104,356)
Employee benefits expenses		(1,721,461)	(1,592,637)
Key management remuneration		(830,093)	(785,170)
Marketing and publicity expenses		(146,636)	(150,047)
Office and administration expenses		(151,863)	(201,324)
Professional fees		(279,840)	(277,352)
Rental and other lease expenses		(754,023)	(682,565)
Royalty and tribute fee expenses		(1,895,577)	(1,347,859)
Site and factory expenses		(4,453,952)	(4,140,215)
Travelling and transportation expenses		(119,063)	(114,546)
Other expenses		(432,789)	(785,845)
Total expenses		<u>(12,867,969)</u>	<u>(11,716,955)</u>
Finance income		111,533	204,967
Finance costs		(89,355)	(81,400)
Net finance income		<u>22,178</u>	<u>123,567</u>
Profit/(Loss) before tax	11	307,967	(1,040,839)
Tax expenses	13	(211,880)	(42,178)
Profit/(Loss) for the period		<u>96,087</u>	<u>(1,083,017)</u>
Profit/(Loss) attributable to:			
Owners of the Company		35,023	(903,164)
Non-controlling interests		61,064	(179,853)
Profit/(Loss) for the period		<u>96,087</u>	<u>(1,083,017)</u>
Earnings per share			
Basic and diluted (US\$ cents)	12	0.01	(0.22)
Basic and diluted (S\$ cents)	12	0.01	(0.31)

C. Condensed interim consolidated statement of comprehensive income

	Six months ended	
	30 June 2021	30 June 2020
	US\$	US\$
	(Unaudited)	(Unaudited)
Profit/(Loss) for the period	96,087	(1,083,017)
Other comprehensive income		
Items that are or may be reclassified subsequently to profit or loss:		
Exchange differences arising on consolidation of foreign subsidiaries	108,758	25,478
Other comprehensive income for the period, net of tax	<u>108,758</u>	<u>25,478</u>
Total comprehensive income/(loss) for the period	<u>204,845</u>	<u>(1,057,539)</u>
Total comprehensive income/(loss) attributable to:		
Owners of the Company	119,520	(869,854)
Non-controlling interests	85,325	(187,685)
Total comprehensive income/(loss) for the period	<u>204,845</u>	<u>(1,057,539)</u>

D. Condensed interim statement of changes in equity

Group (Unaudited)	Note	Share capital US\$	Preference shares US\$	Capital reserve US\$	Translation reserve US\$	Retained earnings US\$	Total attributable to owners of the Company US\$	Non- controlling interests US\$	Total equity US\$
At 1 January 2021		18,032,233	2,800	3,111,892	(29,698)	18,324,436	39,441,663	6,087,717	45,529,380
Total comprehensive income for the period									
Profit for the period		–	–	–	–	35,023	35,023	61,064	96,087
Other comprehensive income									
Exchange differences arising on consolidation of foreign subsidiaries		–	–	–	84,497	–	84,497	24,261	108,758
Total other comprehensive income		–	–	–	84,497	–	84,497	24,261	108,758
Total comprehensive income for the period		–	–	–	84,497	35,023	119,520	85,325	204,845
At 30 June 2021		18,032,233	2,800	3,111,892	54,799	18,359,459	39,561,183	6,173,042	45,734,225
At 1 January 2020		18,032,233	2,800	3,111,892	29,608	23,595,320	44,771,853	7,380,123	52,151,976
Total comprehensive income for the period									
Loss for the period		–	–	–	–	(903,164)	(903,164)	(179,853)	(1,083,017)
Other comprehensive income									
Exchange differences arising on consolidation of foreign subsidiaries		–	–	–	33,310	–	33,310	(7,832)	25,478
Total other comprehensive income		–	–	–	33,310	–	33,310	(7,832)	25,478
Total comprehensive income for the period		–	–	–	33,310	(903,164)	(869,854)	(187,685)	(1,057,539)
Transactions with owners, recognised directly in equity									
Distributions to owners									
Final and special dividends declared for year ended 31 December 2019	14	–	–	–	–	(1,732,858)	(1,732,858)	–	(1,732,858)
Total distributions to owners		–	–	–	–	(1,732,858)	(1,732,858)	–	(1,732,858)
Total transactions with owners		–	–	–	–	(1,732,858)	(1,732,858)	–	(1,732,858)
At 30 June 2020		18,032,233	2,800	3,111,892	62,918	20,959,298	42,169,141	7,192,438	49,361,579

D. Condensed interim statement of changes in equity (continued)

Company (Unaudited)	Share capital US\$	Capital reserve US\$	Accumulated losses US\$	Total equity US\$
At 1 January 2021	18,032,233	(13,860)	(5,759,325)	12,259,048
Total comprehensive income for the period				
Loss for the period	–	–	(160,263)	(160,263)
Total comprehensive income for the period	–	–	(160,263)	(160,263)
At 30 June 2021	<u>18,032,233</u>	<u>(13,860)</u>	<u>(5,919,588)</u>	<u>12,098,785</u>
At 1 January 2020	18,032,233	(13,860)	(292,414)	17,725,959
Total comprehensive income for the period				
Loss for the period	–	–	(280,653)	(280,653)
Total comprehensive income for the period	–	–	(280,653)	(280,653)
Transactions with owners, recognised directly in equity				
Distributions to owners				
Final and special dividends declared for year ended 31 December 2019	–	–	(1,732,858)	(1,732,858)
Total distributions to owners	–	–	(1,732,858)	(1,732,858)
Total transactions with owners	–	–	(1,732,858)	(1,732,858)
At 30 June 2020	<u>18,032,233</u>	<u>(13,860)</u>	<u>(2,305,925)</u>	<u>15,712,448</u>

E. Condensed interim consolidated statement of cash flows

	Six months ended	
	30 June 2021	30 June 2020
	US\$	US\$
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Profit/(Loss) for the period	96,087	(1,083,017)
Adjustments for:		
Amortisation of mine properties	408,100	413,423
Depreciation of property, plant and equipment	2,010,641	1,690,933
Gain on disposal of property, plant and equipment	(63,803)	–
Interest expense	89,355	81,400
Interest income	(111,533)	(204,967)
Unrealised loss on foreign exchange	542,555	665,237
Tax expenses	211,880	42,178
	<u>3,183,282</u>	<u>1,605,187</u>
Changes in:		
- Inventories	(652,124)	(572,420)
- Trade and other receivables	1,948,378	(1,830,631)
- Rehabilitation obligations, and trade and other payables	(828,121)	(2,145,931)
	<u>3,651,415</u>	<u>(2,943,795)</u>
Cash generated from operations	3,651,415	(2,943,795)
Interest received	111,533	204,967
Interest paid	(50,427)	(45,690)
Tax paid	(258,772)	(451,270)
	<u>(258,772)</u>	<u>(451,270)</u>
Net cash generated from/(used in) operating activities	3,453,749	(3,235,788)
Cash flows from investing activities		
Payment for exploration and evaluation assets, and mine properties	(332,446)	(117,442)
Proceeds from sales of property, plant and equipment	63,803	–
Purchase of property, plant and equipment	(877,734)	(530,714)
	<u>(1,146,377)</u>	<u>(648,156)</u>
Net cash used in investing activities	(1,146,377)	(648,156)
Cash flows from financing activities		
Dividends paid to preference shares holder and non-controlling interests	–	(585,577)
Payment of lease liabilities	(88,114)	(89,398)
	<u>(88,114)</u>	<u>(674,975)</u>
Net cash used in financing activities	(88,114)	(674,975)
Net increase/(decrease) in cash and cash equivalents	2,219,258	(4,558,919)
Cash and cash equivalents at 1 January	11,256,819	16,016,461
Effect of exchange rate fluctuations on cash held	(202,174)	(284,568)
Cash and cash equivalents at 30 June	13,273,903	11,172,974

Condensed interim consolidated statement of cash flows (continued)

During the six months period ended 30 June 2021 (“**1H2021**”), the Group acquired property, plant and equipment with an aggregate cost of US\$1,306,447 of which US\$207,827 (1H2020: US\$Nil) were acquired by means of lease arrangements, compared to US\$584,537 for the corresponding six-month period ended 30 June 2020 (“**1H2020**”). As at 30 June 2021, a total consideration of US\$220,886 (1H2020: US\$53,823) was yet to be paid to third parties.

The Group also acquired exploration and evaluation assets and mine properties with an aggregate cost of US\$753,765 (1H2020: US\$158,008). As at 30 June 2021, a total consideration of US\$421,319 (1H2020: US\$40,566) was yet to be paid to third parties.

F. Notes to the condensed interim financial statements

1 Corporate information

CNMC Goldmine Holdings Limited (the Company) is incorporated and domiciled in Singapore and whose shares are publicly traded on the Catalist of the Singapore Exchange.

These condensed interim consolidated financial statements as at and for the six months ended 30 June 2021 comprise the Company and its subsidiaries (collectively, the Group).

The principal activities of the Company are those of an investment holding and management company. The principal activities of the Group are exploration and mining of gold deposits, mineral exploration and drilling service provider, underground mining service provider, non-mining related service provider and investment holding.

2 Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2021 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last audited financial statements for the year ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in United States Dollars, which is the Company's functional currency.

2.1 New and amended standards adopted by the Group

There are no new standards, amendments, to standards and interpretations, effective from annual beginning on or after 1 January 2021, which will result in significant impact on the condensed interim financial statements of the Group.

2.2 Use of estimates and judgements

The preparation of the condensed interim financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited financial statements as at and for the year ended 31 December 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There were no significant changes to the major assumptions used in assessing the accounting estimates and the carrying amounts of the relevant assets and liabilities in these condensed interim financial statements. Details of such assumptions and estimations are disclosed in the last audited financial statements for the year ended 31 December 2020.

3 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4 Segment and revenue information

The Group has one reportable business segment which is mining - exploration, development, mining and marketing of gold and other minerals. Other operations include investment holding and provision of corporate services. These operating segments are reported in a manner consistent with internal reporting provided to the Group's executive directors who are responsible for allocating resources and assessing performance of the operating segments.

4.1 Reportable segments

	Mining US\$	Other operations US\$	Inter-segment eliminations US\$	Total US\$
Group				
1 January 2021 to				
30 June 2021				
Revenue from external customers	12,868,592	-	-	12,868,592
Interest income	82,158	92,509	(63,134)	111,533
Management fee	470,150	1,152,809	(1,622,959)	-
Interest expense	(149,433)	(3,056)	63,134	(89,355)
Amortisation and depreciation	(2,454,538)	(60,869)	96,666	(2,418,741)
Reportable segment profit before tax	454,216	(143,597)	(2,652)	307,967
Reportable segment assets	49,610,559	31,291,725	(27,120,175)	53,782,109
Capital expenditure*	1,942,108	192,898	(74,794)	2,060,212
Reportable segment liabilities	(16,254,776)	(13,747,169)	20,992,928	(9,009,017)

	Mining US\$	Other operations US\$	Inter-segment eliminations US\$	Total US\$
Group				
1 January 2020 to 30 June 2020				
Revenue from external customers	10,470,879	–	–	10,470,879
Interest income	184,578	52,483	(32,094)	204,967
Management fee	432,507	1,075,171	(1,507,678)	–
Interest expense	(111,753)	(1,741)	32,094	(81,400)
Amortisation and depreciation	(2,021,130)	(83,226)	–	(2,104,356)
Reportable segment loss before tax	<u>(676,552)</u>	<u>(369,403)</u>	<u>5,116</u>	<u>(1,040,839)</u>
Reportable segment assets	56,727,110	38,265,590	(36,172,188)	58,820,512
Capital expenditure*	737,192	–	5,353	742,545
Reportable segment liabilities	<u>(20,692,014)</u>	<u>(16,393,931)</u>	<u>27,244,477</u>	<u>(9,841,468)</u>

* Capital expenditure consists of additions of property, plant and equipment, mine properties and, exploration and evaluation assets.

	Group	
	30 June 2021 US\$	30 June 2020 US\$
Assets		
Total assets for reportable segments	53,782,109	58,820,512
Unallocated assets	961,133	382,535
Consolidated total assets	<u>54,743,242</u>	<u>59,203,047</u>
Liabilities		
Total liabilities for reportable segments	(9,009,017)	(9,841,468)
Unallocated liabilities	–	–
Consolidated total liabilities	<u>(9,009,017)</u>	<u>(9,841,468)</u>

Geographical segments

The operations of the Group are principally located in Malaysia.

Major customer

There is one (30 June 2020: one) major customer which accounts for 100% (30 June 2020: 100%) of the Group's revenue.

5 Financial assets and financial liabilities

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2021 and 31 December 2020 and their fair values measurement:

	Carrying amount			Fair value			
	Financial assets at amortised cost US\$	Other financial liabilities US\$	Total US\$	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Group							
At 30 June 2021							
Financial assets not measured at fair value							
Trade and other receivables*	1,512,717	–	1,512,717				
Cash and cash equivalents	13,273,903	–	13,273,903				
	<u>14,786,620</u>	<u>–</u>	<u>14,786,620</u>				
Financial liabilities measured at fair value							
Derivative financial instrument	–	(27,244)	(27,244)	–	–	(27,244)	(27,244)

	Carrying amount			Fair value			
	Financial assets at amortised cost US\$	Other financial liabilities US\$	Total US\$	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Financial liabilities not measured at fair value							
Convertible loan	–	(596,113)	(596,113)	–	(747,849)	–	(747,849)
Trade and other payables	–	(5,710,426)	(5,710,426)				
Dividends payable	–	(3,617)	(3,617)				
	–	(6,310,156)	(6,310,156)				
Group							
At 31 December 2020							
Financial assets not measured at fair value							
Trade and other receivables*	3,514,072	–	3,514,072				
Cash and cash equivalents	11,256,819	–	11,256,819				
	14,770,891	–	14,770,891				
Financial liabilities measured at fair value							
Derivative financial instrument	–	(28,001)	(28,001)	–	–	(28,001)	(28,001)
Financial liabilities not measured at fair value							
Convertible loan	–	(612,678)	(612,678)	–	(768,957)	–	(768,957)
Trade and other payables	–	(5,896,343)	(5,896,343)				
Dividends payable	–	(3,718)	(3,718)				
	–	(6,512,739)	(6,512,739)				

	Carrying amount			Fair value			
	Loans and receivables US\$	Other financial liabilities US\$	Total US\$	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Company							
At 30 June 2021							
Financial assets not measured at fair value							
Trade and other receivables*	10,172,514	–	10,172,514				
Cash and cash equivalents	67,936	–	67,936				
	<u>10,240,450</u>	<u>–</u>	<u>10,240,450</u>				
Financial liability not measured at fair value							
Trade and other payables	–	(6,488,680)	(6,488,680)				
	<u>–</u>	<u>(6,488,680)</u>	<u>(6,488,680)</u>				
At 31 December 2020							
Financial assets not measured at fair value							
Trade and other receivables*	10,477,866	–	10,477,866				
Cash and cash equivalents	47,789	–	47,789				
	<u>10,525,655</u>	<u>–</u>	<u>10,525,655</u>				
Financial liability not measured at fair value							
Trade and other payables	–	(6,616,769)	(6,616,769)				
	<u>–</u>	<u>(6,616,769)</u>	<u>(6,616,769)</u>				

* Excluded prepaid expenses of US\$9,987 (2020: US\$71,587) and US\$9,987 (2020: US\$16,146) for the Group and the Company respectively.

6 Net Asset Value

	Group		Company	
	30 June 2021 US\$	31 December 2020 US\$	30 June 2021 US\$	31 December 2020 US\$
Net asset value (US\$) ⁽¹⁾	39,561,183	39,441,663	12,098,785	12,259,048
Net asset value per share:				
- US cents	9.70	9.67	2.97	3.01
- SG cents ⁽²⁾	13.04	12.81	3.99	3.99

Notes:-

(1) Net asset value represents total assets less total liabilities and non-controlling interests.

(2) Net asset value per share translated at a closing exchange rate of USD/SGD 1.3443 and 1.3243 as at 30 June 2021 and 31 December 2020 respectively.

7 Exploration and evaluation assets

During the six months ended 30 June 2021, the Group acquired exploration and evaluation assets amounting to US\$65,832 (30 June 2020: US\$47,402).

8 Mine properties

During the six months ended 30 June 2021, the Group acquired mine properties amounting to US\$687,933 (30 June 2020: US\$110,606).

9 Property, plant and equipment

During the six months ended 30 June 2021, the Group acquired property, plant and equipment amounting to US\$1,306,447 (30 June 2020: US\$584,537) and disposed of assets amounting to US\$262,257 (30 June 2020: US\$Nil).

10 Loans and borrowings

	Group		Company	
	30 June 2021 US\$	31 December 2020 US\$	30 June 2021 US\$	31 December 2020 US\$
Non-current				
Lease liabilities - Secured	77,534	103,052	-	-
Lease liabilities - Unsecured	63,014	6,670	54,143	6,670
Convertible loan - Unsecured	596,113	612,678	-	-
	736,661	722,400	54,143	6,670
Current				
Lease liabilities - Secured	48,120	60,012	-	-
Lease liabilities - Unsecured	101,850	7,489	96,989	1,876
	149,970	67,501	96,989	1,876
	886,631	789,901	151,132	8,546

Details of any collaterals

The Group's secured borrowings as at 30 June 2021 comprised hire purchase liabilities, which are secured over the Group's motor vehicles. The net carrying amounts of the motor vehicles as at 30 June 2021 amounted to US\$55,891 (31 December 2020: US\$111,643).

The Group's unsecured borrowings as at 30 June 2021 comprised a convertible loan issued by a subsidiary and lease liabilities recognised pursuant to SFRS(I) 16.

11 Profit/(Loss) before tax

11.1 Significant items

The following items have been included in arriving at profit/(loss) before tax for the period:

	Group	
	Six months ended	
	30 June 2021	30 June 2020
	US\$	US\$
Finance costs	89,355	81,400
Amortisation and depreciation	2,418,741	2,104,356
Gain on disposal of property, plant and equipment	(63,803)	-
Grant income	(224,696)	(77,054)
Loss/(Gain) on foreign exchange:		
- Unrealised	542,555	665,237
- Realised	(109,766)	120,608
	<u> </u>	<u> </u>

11.2 Related party transactions

Other than key management personnel compensation as presented in the condensed interim consolidated statement of profit or loss, the Group had no other significant related party transactions during the reporting period.

12 Earnings per share

Basic earnings per share

The calculation of basic earnings per share at 30 June 2021 was based on the profit attributable to ordinary shareholders of US\$35,023 (30 June 2020: loss attributable to ordinary shareholders of US\$903,164) and a weighted-average number of ordinary shares outstanding of 407,693,000 (30 June 2020: 407,693,000).

The Group's weighted-average number of ordinary shares is calculated as follows:

	Group	
	Six months ended	
	30 June 2021	30 June 2020
	No. of shares	No. of shares
Issued number of ordinary shares	407,693,000	407,693,000
Effect of own shares held	—	—
Weighted-average number of ordinary shares during the period	<u>407,693,000</u>	<u>407,693,000</u>

Diluted earnings per share

Diluted earnings per share is the same as basic earnings per share due to the absence of any dilutive financial instruments for the six months period ended 30 June 2021 and 30 June 2020 respectively.

Basic earnings per ordinary share translated at an average exchange rate of USD/SGD 1.3298 and 1.3922 for period ended 30 June 2021 and 30 June 2020 respectively.

13 Tax expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group	
	Six months ended	
	30 June 2021	30 June 2020
	US\$	US\$
Current tax expense		
Current period	455,900	174,746
Adjustment for prior periods	13,518	-
	<u>469,418</u>	<u>174,746</u>
Deferred tax expense		
Reversal of temporary differences	(265,581)	(132,568)
Adjustment for prior periods	8,043	-
	<u>(257,538)</u>	<u>(132,568)</u>
Total tax expense	<u>211,880</u>	<u>42,178</u>

14 Dividends

The following exempt (one-tier) dividends were declared, and paid and payable by the Group and Company:

	Group and Company	
	Six months ended	
	30 June 2021	30 June 2020
	US\$	US\$
Paid by the Company to owners of the Company		
Dividends on ordinary shares:		
- Final dividends for the six months ended 30 June 2021: S\$Nil (equivalent to US\$Nil) (2019: S\$0.00200 (equivalent to US\$0.00142)) per ordinary share	–	577,619
- Special dividends for the six months ended 30 June 2021: S\$Nil (equivalent to US\$Nil) (2019: S\$0.00400 (equivalent to US\$0.00284)) per ordinary share	–	1,155,239
	–	1,732,858
	–	1,732,858

15 Contingent liability

There is no significant update on the contingent liability as disclosed in the Group's last audited financial statements for the year ended 31 December 2020.

16 Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

G. Other Information Required by Catalist Rule Appendix 7C

1 Review

The condensed consolidated statement of financial position of CNMC Goldmine Holdings Limited (the “Company”), and together with its subsidiaries, (the “Group”) as at 30 June 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed by the Company’s auditors.

2 Review of performance of the Group

Statement of profit or loss

Revenue

The table below is a summary of the financial performance of the Group for the six months period ended 30 June 2021 (“1H2021”) and the comparative financial performance for the six months period ended 30 June 2020 (“1H2020”):

	1H2021	1H2020	Increase / (Decrease) %
Production volume of fine gold (ounces)	7,074.73	6,221.87	13.7
Sales volume of gold (ounces)	7,074.73	6,221.87	13.7
Revenue – Total (US\$’000)	12,868.59	10,470.88	22.9
Average realised gold price (US\$/ounce)	1,818.95	1,682.92	8.1

The Group’s revenue increased by 22.9% in 1H2021, compared to 1H2020. This was due to an increase in the production and sales volume of fine gold, as well as an increase in average realised gold price in 1H2021.

The Group performed better despite facing even more challenges in 1H2021 than it did in 1H2020. It had to cease all activities (including production) for 52 days during 1H2021 from 16 January 2021 to 6 February 2021 and from 1 June 2021 to 30 June 2021 (1H2020: 47 days, from 18 March 2020 to 3 May 2020) as a result of intermittent and recurrent movement restrictions implemented by the Malaysian Federal Government in attempts to contain the spread of Covid-19. The Group was required to cease production twice during Movement Control Orders (“MCO”), namely MCO 2.0 and Full MCO in 1H2021 (1H2020: only MCO 1.0).

To summarize, the MCOs had brought about significant disruptions to the Group’s operation in Malaysia.

Other income and expenses

In 1H2021, the Group recorded a decrease in net other operating expenses¹ compared to 1H2020. This was mainly due to a smaller foreign exchange loss as the MYR depreciated against the USD (the Group's cash and bank balances are predominantly denominated in MYR), as well as income from government grants for wage subsidies in 1H2021.

Operating expenses

The overall increase in the 1H2021 operating expenses was mainly due to the impact of the various MCOs and the following factors:

- increase in royalty and tribute expenses to the Kelantan State authorities arising from higher sales of gold dore bars as well as the adjustments made in the gold price for the benchmark computations of royalty and tribute expenses;
- increase in amortisation and depreciation mainly due to additional depreciation charge from the newly capitalised underground infrastructure which commenced its activity in December 2020;
- increase in site and factory expenses resulting mainly from the higher average price of diesel, repair and maintenance expenses, mitigated by a decline in blasting activities undertaken in 1H2021;
- lower changes in inventories arising from higher work-in-progress balances as at 30 June 2021 compared to the balances as at 31 December 2020; and
- higher employee benefits' expenses mainly due to half a month pay cut in 1H2020.

Non-FRS Performance Measures

The Group adopts adjusted operating costs per ounce, all-in sustaining costs per ounce and all-in costs per ounce as non-FRS performance measures in accordance with the World Gold Council guidelines. The Company believes these performance measures better define the total costs associated with its gold production. However, these performance measures have no standardised meaning. Accordingly, they are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with FRS. The Company reports these measures on sales volume of fine gold.

Summarised below is the information on the Group's all-in sustaining costs and all-in costs per ounce in 1H2021 and 1H2020:

	US\$ / gold ounce sold		
	1H2021	1H2020	↑/ (↓) %
Sales volume of fine gold (ounces)	7,074.73	6,221.87	13.7
Mining related costs	937	933	0.4
Royalty and tribute expenses	268	217	23.5
Adjusted operating costs⁽¹⁾	1,205	1,150	4.8
General and administrative costs	225	235	(4.3)
Capital expenditure	1	5	(80.0)
All-in sustaining costs⁽²⁾	1,431	1,390	2.9
Capital exploration (non-sustaining)	8	11	(27.3)
Capital expenditure (non-sustaining)	87	80	8.8
All-in costs⁽³⁾	1,526	1,481	3.0

¹ the net of other operating income over other operating expenses, or vice versa, as the case may be.

- (1) Adjusted operating costs include production costs such as mining production and maintenance costs, royalties, and operating costs such as storage, net of by-product credits. These costs may vary depending on seasonal or cyclical factors, including among others, rainy season and grade of gold extracted from the ore.
- (2) All-in sustaining costs include adjusted operating costs and sustaining capital expenditure, corporate general and administrative expenses, exploration expense, reflecting the full cost of gold production from current operations.
- (3) Include all-in sustaining costs and non-sustaining costs. Non-sustaining costs are costs incurred for new operations and costs related to construction of the new production facility for the existing operations where these projects are expected to materially increase production in future.

The all-in costs per ounce in 1H2021 were slightly higher than the all-in costs in 1H2020, mainly due to the increase in royalty and tribute expenses (for reasons presented in the operating expenses analysis above).

Tax expenses

The Group's effective tax rate for 1H2021 was approximately 69%, which was higher than the applicable tax rate of 24% for the Group. The much higher effective tax rate was due mainly to the non-deductibility of certain items for tax purposes; the non-recognition of deferred tax asset (or income tax credit) in relation to losses incurred by some subsidiaries due to uncertainty of their future profitability; and the payment of withholding taxes on management fees received by the Company from CMNM Mining Group Sdn. Bhd.

Profit/(Loss) after tax

Excluding the unrealised foreign exchange differences as described above, the Group would have recorded a profit of US\$0.64 million in 1H2021, compared with a loss of US\$0.42 million in 1H2020.

	1H2021	1H2020
	US\$	US\$
Profit/(Loss) after tax	96,087	(1,083,017)
<i>Excluding:</i>		
Unrealised foreign exchange loss ("A")	542,555	665,237
<i>Profit/(Loss) after tax excluding A</i>	638,642	(417,780)

Statement of financial position

Assets

The decrease in non-current assets was mainly due to amortisation and depreciation, which reduced the net carrying value of property, plant and equipment and mine properties. The overall decrease in non-current assets was partially offset by the increased mine properties resulting from the additional drilling cost and higher deferred tax assets.

The increase in total current assets was mainly due to higher cash and cash equivalents (for reasons presented in the statement of cash flows analysis below) and higher inventories of work-in-progress; partially offset by lower trade and other receivables, as there was no gold pour in June 2021 due to the full MCO.

Liabilities

The increase in total liabilities was mainly due to higher tax and lease liabilities and partly offset by the reduction of trade and other payables.

As at 30 June 2021, the Group had positive working capital of US\$11.33 million compared to US\$10.92 million as at 31 December 2020.

Statement of cash flows

The net operating cash inflows in 1H2021 amounting to US\$3.45 million were mainly due to operating profit before working capital changes of US\$3.18 million, adjusted for the decrease in trade and other receivables of US\$1.95 million and net finance income received of US\$0.06 million, which was partially offset by the increases in inventories of US\$0.65 million, decreases in rehabilitation obligations and trade and other payables of US\$0.83 million and tax paid of US\$0.26 million.

Net cash used in investing activities amounted to US\$1.15 million in 1H2021, comprising payments to acquire property, plant and equipment for the on-going construction of the new flotation plant and payments for exploration and evaluation assets and mine properties.

Net cash used in financing activities amounted to US\$0.09 million in 1H2021, due to payment made for lease liabilities during the financial period.

As at 30 June 2021, the Group had cash and cash equivalents of US\$13.27 million, up US\$2.01 million from US\$11.26 million as at 31 December 2020.

- 3(a) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

	Number of shares	Share capital (\$)	Share capital (US\$)
As at 30 June 2021	407,693,000	22,890,024	18,032,233
As at 31 December 2020	407,693,000	22,890,024	18,032,233

There were no changes in the share capital of the Company from 31 December 2020 up to 30 June 2021.

The Company did not have any outstanding options, convertible securities, treasury shares or subsidiary holdings as at 30 June 2021 and 30 June 2020.

- 3(b) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of immediately preceding year.**

	Company As at 30 June 2021 (Unaudited)	Company As at 31 December 2020 (Audited)
Total number of issued shares	<u>407,693,000</u>	<u>407,693,000</u>

The Company did not have any treasury shares as at 30 June 2021 and 31 December 2020.

- 3(c) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable. There were no sales, transfers, cancellations and/or use of treasury shares during and as at the end of the financial period reported on.

- 3(d) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable. There were no subsidiary holdings during and as the end of the current financial period reported on.

- 4 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the auditors.

- 5 Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).**

Not applicable.

- 6 Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion (this is not required for any audit issue that is a material uncertainty relating to going concern):—**

- (a) Updates on the efforts taken to resolve each outstanding audit issue.**

Not applicable.

- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

Not applicable.

7 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Please refer to Note 2 to the condensed interim financial statements: Basis of preparation.

8 If there were any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Please refer to Note 2 to the condensed interim financial statements: Basis of preparation.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable. No forecast or prospect statement was previously disclosed.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Malaysia's ability to bring the Covid-19 situation under control will be a key determinant of the Group's financial performance in the foreseeable future. As announced previously, the intermittent and repeated extension of the nationwide lockdown since 1 June 2021 dealt a sharp blow to our operational and financial performance for 1H2021 as mining activities could not be carried out for effectively several months during 1H2021.

With the easing of Covid-19 restrictions in Kelantan since 12 July 2021, the Group has resumed both open-pit and underground mining operations albeit at not exceeding 80% workforce capacity. Notwithstanding this, the Group will endeavour to step up efforts to boost production and gold exploration and the possibility of expanding the existing carbon-in-leach plant. Underground mining, which can potentially yield higher-grade gold ore, remains a key area of focus at the flagship Sokor gold field.

The Group recently received approval from the relevant Malaysian authorities to proceed with the construction of a flotation plant at Sokor that will be used to process approximately 500 tonnes of mined ore per day into silver, lead and zinc. It had previously expected to begin commercial production of these industrial metals in 2021. But with the fluid Covid-19 situation in Malaysia, the production schedule is likely to be delayed as construction of the plant could possibly take more time than previously anticipated. Nonetheless, the production and sale of silver, lead and zinc is expected to diversify the Group's gold-centric portfolio and provide additional streams of revenue to support its overall growth in the future.

11 Dividend information

If a decision regarding dividend has been made:

- (a) Whether an interim (final) ordinary dividend has been declared (recommended); and**

No dividend has been declared or recommended for 1H2021.

- (b) (i) Amount per share (cents)**

Not applicable.

- (ii) Previous corresponding period (cents)**

None.

- (c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated)**

Not applicable, as no dividend has been declared or recommended for 1H2021.

- (d) The date the dividend is payable.**

Not applicable, as no dividend has been declared or recommended for 1H2021.

- (e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**

Not applicable, as no dividend has been declared or recommended for 1H2021.

- (f) If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.**

No dividend has been declared or recommended for 1H2021. It is not the practice of the Company to declare or recommend dividends in the first half of the year.

- 12. If the Group has obtained a general mandate from shareholders for interested persons transactions (“IPT”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group does not have a general mandate from its shareholders for IPT. In 1H2021, the Group did not enter into any IPT of S\$100,000 and more.

Additional Disclosure Required for Mineral, Oil and Gas companies

- 13a Rule 705 (6)(a) of the Catalist Listing Manual**

- i. Use of funds/cash for the quarter:-**

In 2Q2021, funds/cash was mainly used for the following production activities, as compared to the projections:-

Purpose	Amount (US\$ million) Actual	Amount (US\$ million) Projected
Exploration and evaluation activities	0.32	0.34
Payments for plant and machinery	0.55	0.74
Payments for diesel and other production materials	1.98	2.17
Royalty and tribute fees to government	0.69	1.18
Rental of equipment	0.48	0.51
Upkeep of equipment and motor vehicles	0.18	0.35
General working capital	1.63	1.77
Total	5.83	7.06

ii. Projection on the use of funds/cash for the next immediate quarter, including principal assumptions:-

For the next immediate quarter (financial period from 1 July 2021 to 30 September 2021 (“3Q2021”)), the Group’s use of funds/cash for production activities is expected to be as follows:-

Purpose	Amount (US\$ million)
Exploration and evaluation activities	0.27
Payments for plant and machinery	0.42
Payments for diesel and other production materials	2.04
Royalty and tribute fees to government	1.23
Rental of equipment	0.29
Upkeep of equipment and motor vehicles	0.34
General working capital	1.46
Total	6.05

The Group’s exploration plans for 3Q2021 are as follows:-

(a) Geological Investigation

Kelantan State was placed under lockdown, which prohibited social and economic activities, by the Malaysian Federal Government initially from 1 June 2021 to 14 June 2021. The lockdown was subsequently extended, as Covid-19 cases remained high. Our subsidiary, CMNM Mining Group Sdn. Bhd. was granted approval on 12 July 2021 from the relevant authorities in Malaysia to resume operations at the Ulu Sokor concession at a reduced workforce capacity of 80%. As a result, the Group was unable to complete all the exploration plans made for 2Q2021 within the quarter, and will need to carry forward uncompleted exploration plans to 3Q2021.

No exploration activities will be carried out in the Kelgold and Pulai concession and exploration personnel will not be deployed outside of the Ulu Sokor concession, as part of the Group’s efforts to minimise the risk of Covid-19 transmission.

Ulu Sokor concession:

Exploration activities will be focused on three known orebodies, namely Amang area, Rixen Center and Manson's Lode. Manson's Lode will be the major focus and diamond drilling will be carried out.

- i) Amang area
Three drillholes will be carried out to control the southern part of lead-zinc mineralization.
- ii) Rixen Central
Three drillholes are planned to identify the association of gold mineralization with volcanic exhalative process.
- iii) Manson's Lode deposit
The geology team plans to verify the orebody expansion along the strike at northeast direction, and extension along the dip direction at northwest - southeast directions.

The geology team is also considering additional infill drilling to further upgrade the resource category for the proposed Rixen underground mine.

Pulai concession:

No exploration activities are planned because exploration personnel are not deployed outside the Ulu Sokor concession, as part of the Group's effort to minimize the risk of Covid-19 transmission.

Kelgold concession:

No exploration activities are planned because exploration personnel are not deployed outside the Ulu Sokor concession, as part of the Group's effort to minimize the risk of Covid-19 transmission.

- (b) Diamond drilling program

Diamond core drilling will be fulfilled by an exploration drilling sub-contractor using two diamond rigs capable of drilling NQ drill core size to 1,000 meters in depth.

12 drillholes with total footage of 2,100 meters are planned for 3Q2021. The Group's geology department may revise the drilling plan from time to time based on the assay result of each drillhole.

13b Rule 705 (6)(b) of the Catalist Listing Manual

The Board confirms that, to the best of its knowledge, nothing has come to its attention which may render the information provided in item 13a above to be false or misleading in any material aspect.

14 Rule 705 (7) of the Catalist Listing Manual

Details of exploration (including geophysical surveys), development and/or production activities undertaken by the Company and a summary of the expenditure incurred on those activities, including explanation for any material variances with previous projections, for the period under review. If there has been no exploration, development and/or production activity respectively, that fact must be stated;

In 2Q2021, the variance between budgeted and actual usage of funds/cash was mainly due to the timing difference in making certain payments.

In 2Q2021, the Group incurred and capitalised a total of US\$0.75 million for exploration and evaluation expenditures activities.

The Group carried out the following exploration activities in 2Q2021:-

(a) Geological Investigation

Ulu Sokor concession:

Drilling activities in 2Q 2021 discovered more lead-zinc mineralization at the lower boundary of quartz porphyry.

Pulai concession:

No exploration activities were planned because exploration personnel were not deployed outside the Ulu Sokor concession, as part of the Group's efforts to minimize the risk of Covid-19 transmission.

Kelgold concessions:

No exploration activities were planned because exploration personnel were not deployed outside the Ulu Sokor concession, as part of the Group's efforts to minimize the risk of Covid-19 transmission.

(b) Drilling Program

Fifteen drillholes were completed in 2Q 2021 with total footage of 1,795.52m at the ulu Sokor concession.

Completed drillholes in Ulu Sokor concession for 2Q2021

Drillholes	Designed locations		Completed depths (m)	Dip (°)
	Easting	Northing		
ZKM122-2	445084.50	613728.67	100.78	70.00
ZKM124-2	445096.45	613792.70	132.78	70.00
ZKM120-3	445029.60	613712.01	97.63	70.00
ZKM122-3	445061.83	613754.49	120.99	70.00
ZKM124-3	445117.37	613761.79	100.96	70.00
ZKM120-4	445077.69	613651.84	131.13	90.00
ZKM122-4	445122.36	613683.16	128.55	90.00
ZKM124-4	445155.12	613718.79	100.58	90.00
ZKM126-2	445184.94	613765.02	105.01	90.00
ZKM124-5	445181.57	613690.43	110.40	90.00
ZKM122-5	445147.77	613653.34	120.43	90.00
ZKM120-5	445103.64	613620.07	201.53	90.00
ZKM120-6	445128.96	613591.11	130.89	90.00
ZKM122-6	445180.25	613618.42	103.83	90.00
ZKM124-6	445208.08	613657.85	110.03	90.00

(c) Half core sampling and analysis

A total of 1,694 half core samples were sent to the in-house lab for gold, silver, lead, zinc and copper analysis.

15 Confirmation pursuant to Rule 705(5) of the Catalist Listing Manual

On behalf of the Board, we, the undersigned, hereby confirm that, to the best of its knowledge, nothing has come to the attention of the Board which may render the Group's unaudited condensed interim financial statements for the six months ended 30 June 2021 to be false and misleading in any material aspect.

16 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Listing Manual

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

17 Disclosures on incorporation, acquisition and realisation of shares pursuant to Catalyst Rule 706A.

During 1H2021, the Group did not incorporate any companies. There were no acquisitions of (i) shares resulting in a company becoming a subsidiary or associated company of the Company; and (ii) shares resulting in the Company increasing its shareholding percentage in a subsidiary or an associated company.

There were also no disposals of (i) shares resulting in a company ceasing to be a subsidiary or an associated company of the Company; and (ii) shares resulting in the Company reducing its shareholding percentage in a subsidiary or an associated company.

By Order of the Board

Choo Chee Kong
Executive Vice Chairman

Lim Kuoh Yang
Chief Executive Officer

13 August 2021

This announcement has been reviewed by the Company's Sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

The Sponsor has also not drawn on any specific technical expertise in its review of this announcement.

The contact person for the Sponsor is Ms Lim Hui Ling, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg.